

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



STATE DOCUMENTS COLLECTION

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%	\$16.92 /CWT
CLASS I BUTTERFAT PRICE PER POUND	\$1.28 /LB

EFFECTIVE DECEMBER 1, 2003:

The minimum price to pay milk producers, under ARM 32.24.301, is \$16.92 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant. When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 12.8 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.28.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%	\$10.75 /CWT
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Average spray process dry milk solids		
price per pound	=	\$0.86750
Multiplied by 8.2	x	8.2
		\$7.11350
Last quote of the month for Grade AA butter		\$7.11350
minus a differential of \$.0895	=	\$1.10300
Multiplied by 4.2	x	4.2
		\$4.63260
LESS a make allowance of 8.5% (+ \$4.63260
		\$11.74610
		- \$0.99842
		<u><u>\$10.74768</u></u>
Rounded to the nearest whole cent	=	\$10.75 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND**\$1.22 /LB**

Last quote of the month for Grade AA butter minus a differential of \$.0895	=	\$1.10300 X .111)	=	\$0.12243
Rounded to the nearest half cent	=		=	\$0.122

Butterfat value per pound
for milk at 3.5% test: \$1.22

Hundredweight price of milk testing 3.5% LESS 3.5 pounds of butterfat at	\$1.22 per pound	=	\$10.75
Value of 96.5 pounds of skim		-	\$4.270
		=	<u>\$6.480</u>

**CLASS II VALUE OF
ONE POUND OF SKIM****6.480 / 96.5 pounds) = \$0.06715 /LB****PRODUCER CLASS III PRICE IN MONTANA**

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$9.16 /CWT**

3.5 pounds of butterfat	\$0.99 per pound =	\$3.465
96.5 pounds of skim	\$0.05904 per pound =	\$5.698
		<u>\$9.163</u> /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$0.99 /LB**

Last quote of the month for Grade AA butter minus a difference of \$.0895	=	\$1.10300
LESS 10%	-	<u>\$0.11030</u>
		\$0.99270

Rounded to the nearest whole cent = \$0.99 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$5.90421 /CWT**

Avg. spray process dry milk solid price/lb :	\$0.86750
Multipled by 8.2	<u>8.2</u>
	<u>\$7.11350</u>
LESS 17%	\$1.20930
	<u>\$5.90421</u>

Rounded to the nearest whole cent \$5.90 per hundredweight.

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Monte Nick
Monte Nick, Bureau Chief
Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$16.92 FOR 3.5% MILK 96.5 LBS = \$12.440		CLASS II SKIM PRICE BASED ON \$10.75 FOR 3.5% MILK 96.5 LBS = \$6.480		CLASS III SKIM PRICE BASED ON \$9.16 FOR 3.5% MILK 96.5 LBS = \$5.698	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.12759	2.50	\$0.06646	2.50	\$0.05844
2.55	\$0.12766	2.55	\$0.06650	2.55	\$0.05847
2.60	\$0.12772	2.60	\$0.06653	2.60	\$0.05850
2.65	\$0.12779	2.65	\$0.06656	2.65	\$0.05853
2.70	\$0.12785	2.70	\$0.06660	2.70	\$0.05856
2.75	\$0.12792	2.75	\$0.06663	2.75	\$0.05859
2.80	\$0.12798	2.80	\$0.06667	2.80	\$0.05862
2.85	\$0.12805	2.85	\$0.06670	2.85	\$0.05865
2.90	\$0.12812	2.90	\$0.06674	2.90	\$0.05868
2.95	\$0.12818	2.95	\$0.06677	2.95	\$0.05871
3.00	\$0.12825	3.00	\$0.06680	3.00	\$0.05874
3.05	\$0.12831	3.05	\$0.06684	3.05	\$0.05877
3.10	\$0.12838	3.10	\$0.06687	3.10	\$0.05880
3.15	\$0.12845	3.15	\$0.06691	3.15	\$0.05883
3.20	\$0.12851	3.20	\$0.06694	3.20	\$0.05886
3.25	\$0.12858	3.25	\$0.06698	3.25	\$0.05889
3.30	\$0.12865	3.30	\$0.06701	3.30	\$0.05892
3.35	\$0.12871	3.35	\$0.06705	3.35	\$0.05895
3.40	\$0.12878	3.40	\$0.06708	3.40	\$0.05898
3.45	\$0.12885	3.45	\$0.06712	3.45	\$0.05901
3.50	\$0.12891	3.50	\$0.06715	3.50	\$0.05904
3.55	\$0.12898	3.55	\$0.06719	3.55	\$0.05907
3.60	\$0.12905	3.60	\$0.06722	3.60	\$0.05910
3.65	\$0.12911	3.65	\$0.06725	3.65	\$0.05913
3.70	\$0.12918	3.70	\$0.06729	3.70	\$0.05916
3.75	\$0.12925	3.75	\$0.06732	3.75	\$0.05920
3.80	\$0.12931	3.80	\$0.06736	3.80	\$0.05923
3.85	\$0.12938	3.85	\$0.06739	3.85	\$0.05926
3.90	\$0.12945	3.90	\$0.06743	3.90	\$0.05929
3.95	\$0.12952	3.95	\$0.06746	3.95	\$0.05932
4.00	\$0.12958	4.00	\$0.06750	4.00	\$0.05935
4.05	\$0.12965	4.05	\$0.06754	4.05	\$0.05938
4.10	\$0.12972	4.10	\$0.06757	4.10	\$0.05941
4.15	\$0.12979	4.15	\$0.06761	4.15	\$0.05944
4.20	\$0.12985	4.20	\$0.06764	4.20	\$0.05947
4.25	\$0.12992	4.25	\$0.06768	4.25	\$0.05950
4.30	\$0.12999	4.30	\$0.06771	4.30	\$0.05954
4.35	\$0.13006	4.35	\$0.06775	4.35	\$0.05957
4.40	\$0.13013	4.40	\$0.06778	4.40	\$0.05960
4.45	\$0.13019	4.45	\$0.06782	4.45	\$0.05963
4.50	\$0.13026	4.50	\$0.06785	4.50	\$0.05966

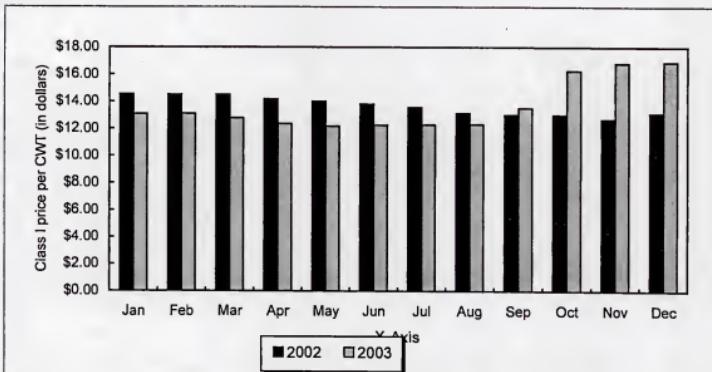
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2002 and 2003

Statistics from the Montana Milk Control Bureau

Month	2002	2003	Difference	% Change
January	\$14.53	\$13.07	(\$1.46)	-10.05%
February	\$14.51	\$13.11	(\$1.40)	-9.65%
March	\$14.50	\$12.78	(\$1.72)	-11.86%
April	\$14.17	\$12.36	(\$1.81)	-12.77%
May	\$14.02	\$12.19	(\$1.83)	-13.05%
June	\$13.81	\$12.26	(\$1.55)	-11.22%
July	\$13.58	\$12.29	(\$1.29)	-9.50%
August	\$13.17	\$12.32	(\$0.85)	-6.45%
September	\$13.03	\$13.52	\$0.49	3.76%
October	\$13.01	\$16.26	\$3.25	24.98%
November	\$12.70	\$16.82	\$4.12	32.44%
December	<u>\$13.15</u>	<u>\$16.92</u>	<u>\$3.77</u>	<u>28.67%</u>
Average	\$13.68	\$13.66	(\$0.02)	0.44%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

SEP 2003: class I = \$7.71; class II = \$1.51; Class III = \$2.91; total = \$12.13
 (calculations based upon utilization percentages of butterfat & skim)